THE HYDERABAD LAND IMPROVEMENT LOANS ACT, 1950.

No. III of 1950.

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WHEREAS it is expedient to regulate the grant of loans of money by the Government for agricultural improvements and to make certain further amendments in the Hyderabad Registration Act, 1327 F. and the Hyderabad Stamp Act, 1331 F.

It is hereby enacted as follows:—

Short title, extent and commencement.

1. (1) This Act may be called the Hyderabad Land Improvement Loans Act, 1950.

(2) IT extends to the whole of the Hyderabad State.

(3) It shall come into force from the date of its publication in the Jarida.

Taqavi Rules which were in force before the commencement of this Act and the loans advanced thereunder.

2. (1) All taqavi loans granted before the commencement of this Act for any of the purposes mentioned in section 4 of this Act shall be deemed to have been granted under this Act and any sums due in respect of such taqavi loans shall be recoverable as if they were due under this Act.

(2) All taqavi rules applicable to loans granted for any of the purposes mentioned in section 4 of this Act which were in force immediately before the commencement thereof shall, until superseded by rules made under this Act, be deemed to be rules so made :

Provided that any provisions of such rules which are inconsistent with the provisions of this Act shall have effect subject to such ommissions or modifications as may be required for the removal of the inconsistency.

"Taluqdar" defined.

3. In this Act, "Taluqdar" means the officer incharge of the revenue administration of a district, or any officer empowered by Government by name or by virtue of his office to discharge the functions of a taluqdar under this Act.

Purposes for which loans may be granted under this Act.

4. (1) Subject to such rules as may be made under section 10, such officer as may, from time to time, be empowered in this behalf by Government may grant loans of money under this Act for the purposes of making any improvement, to any person having a right to make that improvement, or with the consent of that person, to any other person.

* Published in Jarida No. (25), dated 20th March, 1950.

(2) "Improvement" means any work which adds to the letting value of land, and includes the following works, namely :-

(*a*) the construction of wells, tanks and other works for the storage, supply or distribution of water for the purposes of agriculture, or for the use of men and cattle employed in agriculture ;

(*b*) the preparation of land for irrigation ;

(*c*) the drainage, reclamation from rivers or other waters, or protection from floods or from erosion or other damage by water, of land used for agricultural purposes or waste-land which is culturable ;

(*d*) the reclamation, clearance, enclosure or permanent improvement of land for agricultural purposes ;

(*e*) the renewal or reconstruction of any of the foregoing works, or alterations therein or additions thereto ; and

(*f*) such other works as Government may from time to time, by notification in the Jarida, declare to be improvements for the purposes of this Act.

Mode of dealing with applications for loans.

5. (1) When an application for a loan is made under this Act, the officer to whom the application is made may, if it is in his opinion, expedient that public notice be given of the application, publish a notice, in such manner as the Government may, from time to time direct, calling upon all persons objecting to the loan to appear before him at a time and place fixed therein and submit their objections.

(2) The officer shall consider every objection submitted under sub-section (1), and make an order in writing either admitting or overruling it :

Provided that, when the question raised by an objection is, in the opinion of the officer, of such a nature that it can not be satisfactorily decided except by a Civil Court, he shall postpone his proceedings on the application until the question has been so decided.

Period for repayment of loans.

6. (1) Every loan granted under this Act shall be made repayable by instalments (in the form of annuity or otherwise) within such period from the date of the actual advance of the loan, or, when the loan is advanced in instalments, from the date of advance of the last instalment actually paid, as the officer granting the loan may determine with due regard to the rules for the time being in force under section 10.

(2) The period so determined shall not ordinarily exceed thirty-five years, and the rules made in this behalf shall be such as to ensure that the period shall not extend beyond thirty-five years unless the office granting the loans considers such extension to be desirable, having regard to the durability of the work for the purposes of which the loan is granted, and to the expediency of the cost of the work being paid for by the generation of persons who will immediately benefit from the work.

Recovery of loans.

7. (1) Subject to such rules as may be made under section 10 all loans granted under this Act, all interest (if any) chargeable thereon and costs (if any) incurred in making the same, shall, when they become due, be recoverable by the Taluqdar in all or any of the following modes namely :—

(*a*) from the borrower—as if they were arrears of land revenue due by him;

(*b*) from his surety (if any)— as if they were arrears of land revenue due by him;

(*c*) out of the land for the benefit of which the loan has been granted—as if they were arrears of land revenue due in respect of that land;

(*d*) out of the property comprised in the collateral security (if any)—according to the procedure for the realization of land revenue by the sale of immovable property other than the land on which that revenue is due:

Provided that no recovery under clause (*c*) shall affect any interest in the land which existed before the date of the order granting the loan, other than the interest of the borrower, and of mortgagees of, or persons having charges on, that interest, and, where the loan is granted under section 4 with the consent of another person, the interest of that person, and of mortgagees of, or persons having charges on, that interest.

(2) When any sum due on account of any such loan, interest or costs is paid to the Taluqdar by a surety or an owner of property comprised in any collateral security, or is recovered under sub-section (1) by the Taluqdar from a surety or out of any such property, the Taluqdar shall, on the application of the surety or the owner of that property (as the case may be), recover that sum on his behalf from the borrower, or out of the land for the benefit of which the loan has been granted, in the manner provided by sub-section (1).

(3) It shall be in the discretion of a Taluqdar acting under this section to determine the order in which he will resort to the various modes of recovery permitted by sub-section (1).

Order granting loan conclusive on certain points.

8. A written order under the hand of an officer empowered to make loans under this Act granting a loan to, or with the consent of a person mentioned therein, for the purpose of carrying out a work described therein for the benefit of land specified therein, shall, for the purposes of this Act, be conclusive evidence :—

(*a*) that the work described is an improvement within the meaning of this Act;

(*b*) that the person mentioned had at the date of the order a right to make such an improvement; and

(*c*) that the improvement is one benefiting the land specified.

Liability of joint borrowers as among themselves.

9. When a loan is made under this Act to the members of a village-community or to any other persons on such terms that all of them are jointly and severally bound to the Government for the payment of the whole amount payable in respect thereof, and a statement showing the portion of that amount which as among themselves each is bound to contribute is entered upon the order granting the loan and is signed by each of them and by the officer making the order, that statement shall be conclusive evidence of the portion of that amount which as among themselves each of those persons is bound to contribute.

Power to make rules.

10. The Government may, from time to time, by notification in the Jarida, make rules consistent with this Act to provide for the following matters, namely :—

(*a*) the manner of making applications for loans;

(*b*) the officers by whom loans may be granted;

(*c*) the manner of conducting inquiries relative to applications for loans and the powers to be exercised by officers conducting those inquiries;

(*d*) the nature of the security to be taken for the due application and repayment of the loan, the rate of interest at which, and the conditions under which, loans may be granted, and the manner and time of granting loans;

(*e*) the inspection of works for which loans have been granted;

(*f*) the instalments by which, and the mode in which, loans, the interest to be charged on them and the costs incurred in the making thereof, shall be paid;

(*g*) the manner of keeping and auditing the accounts of the expenditure of loans and of the payments made in respect of the same; and

(*h*) all other matters pertaining to the working of the Act.

Exemption of improvements from assessment to land revenue.

11. When land is improved with the aid of a loan granted under this Act, the increase in value derived from the improvement shall not be taken into account in revising the assessment of land revenue on the land:

Provided as follows :—

(1) where the improvement consists of the reclamation of wasteland, or of the irrigation of land assessed at unirrigated rates, the increase may be so taken into account after the expiration of such period as may be fixed by rules made under section 10;

(2) nothing in this section shall entitle any person to call in question any assessment of land revenue otherwise than on grounds on which it might have been called in question if this Act, had not been made.

12. The Government may authorise the Board of Revenue to exercise, subject to the control of Government, the powers conferred on Government by sub-section (1) of section 4, sub-section (1) of section 5 and section 10. Certain powers may be delegated to the Board of Revenue.

13. In the Hyderabad Registration Act, 1327 F.— Act No. IV of 1327 F. amended.

(1) after clause (10) of sub-section (2) of section 10, the following clauses shall be inserted, namely :—

"(11) any order granting a loan under the Hyderabad Land Improvement Loans Act, 1950 A.D., or any instrument of collateral security executed thereunder ; or

(12) any order granting a loan under the Hyderabad Agriculturists' Loans Act, 1950 A. D., or any instrument for securing the repayment of such loan" ;

(2) after sub-section (2) of section 80, the following sub-sections shall be inserted, namely :—

"(3) Every officer granting a loan under the Hyderabad Land Improvement Loans Act, 1950 A. D., shall send a copy of his order to the registering officer within the local limits of whose jurisdiction the whole or any part of the land to be improved or of the land to be granted as collateral security, is situate, and such registering officer shall file the copy in his Book No. 1.

(4) Every officer granting a loan under the Hyderabad Agriculturists Loans' Act, 1950 A. D., shall send a copy of any instrument whereby immovable property is mortgaged for the purpose of securing the repayment of the loan and if any such property is mortgaged for the same purpose in the order granting the loan, a copy also of that order, to the registering officer within the local limits of whose jurisdiction the whole or any part of the property so mortgaged is situate, and such registering officer shall file the copy or copies, as the case may be, in his Book No. 1."

14. In the Schedule to the Hyderabad Stamp Act, 1331 F.:— Act No. IV of 1331 F. amended.

(1) in Article 28 for the heading "Exemption" and the entry thereunder, the following heading and entries shall be substituted, namely :—

"Exemptions.

(1) Instruments executed by persons taking advances under the Hyderabad Land Improvements Act, 1950 A.D., or the Hyderabad Agriculturists' Loans Act, 1950 A. D., or by their sureties as security for the repayment of such advances.

(2) Letter of hypothecation accompanying a bill of exchange" ;

(2) in Article 40, after item (*ii*) under the head "Exemptions", the following item shall be inserted, namely :—

"(*iii*) by persons taking advances under the Hyderabad Land Improvement Loans Act, 1950 A. D., or the Hyderabad Agriculturists' Loans Act, 1950 A. D., or by their sureties as security for the repayment of such advances."